



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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Executive Director

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Division Director

September 9, 2002

Johnny Pappas, Sr. Environmental Engineer
Plateau Mining Corporation.
P.O. Box 30
Helper, Utah 84526-0030

Re: Division Order to Revise Reclamation Plan for Crandall Canyon Shafts, Plateau Mining Corporation, Willow Creek Mine, C/007/038-DO02A, Outgoing File

Johnny
Dear Mr. Pappas:

The Division has completed a review of the Willow Creek Mining and Reclamation Plan (MRP) and has found it deficient with respect to final closure and sealing of the Crandall Canyon Shafts. We have also consulted with the Bureau of Land Management (BLM) on this issue and have received their comments. A copy of their comments has been sent to you under separate cover. It is clear from the perspective of both the BLM and the Division that the current plan to only cap the Crandall Canyon shafts is not adequate for permanent abandonment and final reclamation. A plan must be put in place that will provide for the protection of the coal and other resources in the area.

Pursuant to R645-303-212, the Division has prepared the attached order to correct the deficiency and provide for adequate final reclamation of this area. Please note the time frames associated with the order.

Thank you for your help in taking care of this matter. Should you have questions, please contact Pete Hess at (435) 613-5622 or Daron Haddock at (801) 538-5325.

Sincerely,

Lowell P. Braxton
Director

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Enclosure

cc: James Kohler, BLM, State Office
Richard Gates, MSHA, District 9
Price Field Office

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STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

PERMITTEE

Plateau Mining Corporation

Johnny Pappas, Sr. Environmental Engineer
847 Northwest Highway 191
Helper, Utah 84526

ORDER & FINDINGS

OF
PERMIT DEFICIENCY

PERMIT NUMBER C/007/038
DIVISION ORDER # DO02A

PURSUANT to R645-303-212, the DIVISION ORDERS the PERMITTEE, Plateau Mining Corporation, to make the requisite permit changes enumerated in the findings of Permit Deficiency in order to be in compliance with the State Coal Program. These findings are to be remedied in accordance with R645-303-220.

FINDINGS OF PERMIT DEFICIENCY

A review of the current Mining and Reclamation Plan (MRP) by the Division as well as the Bureau of Land Management has revealed that the reclamation plan and final closure plan for the two Crandall Canyon Shafts are inadequate.

INFORMATION REQUIRED TO BE SUBMITTED BY REGULATION CITED

1. **UCA Title 40 Chapter 10 (2) (b), R645-301-542.700, R645-301-542.710**

A description, including appropriate cross sections and maps, of the measures to be used to seal and permanently abandon the Crandall Canyon Shafts must be made part of the approved reclamation plan. The plan must provide for protection of the coal resource that is being abandoned as well as the protection of other resources including groundwater and methane. The plan must include the following: a) The coal needs to be sealed off in the shaft at or above the highest coal seam. b) The coal requires protection from fire, oxidation, pollution from direct or indirect sources, and physical access and sealing from other strata above the coal. c) Structures such as caps that will require perpetual monitoring or maintenance agreements with the regulatory authority, the

surface owner or the mineral owner will not be allowed. d) Consideration for the water and or aquifers that were encountered in the shaft must be addressed. e) Methane must be sealed as far as practical from escaping into the atmosphere.

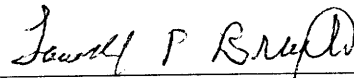
2. R645-301-850.100

A bond must be posted to cover the cost of permanent sealing and cover the long term liabilities associated with the shafts. An additional \$2,000,000 is calculated to be adequate for this action. This amount could be adjusted once final maps, plans and supporting calculations have been provided.

ORDER

Plateau Mining Corporation is ordered to make the requisite permit submittal, in accordance with R645-303-220 and to submit a complete and adequate application for permit change to address this finding of permit deficiency within 90 days of the date of receipt of this Order.

Ordered this 9th day of September, 2002, by the Division of Oil, Gas, and Mining.



Lowell P. Braxton, Director
Division of Oil, Gas and Mining